

2SHB 1332 - H AMD

By Representative Pettigrew

ADOPTED 02/18/2008

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

4 (a) The lack of affordable housing for very low-income and low-
5 income households and for housing for special needs populations is
6 intensified by the rising cost of land and construction;

7 (b) There are publicly owned surplus land and buildings that may be
8 suitable to be marketed, sold, leased, or exchanged for the development
9 of affordable housing or housing for special needs populations; and

10 (c) Requiring certain public agencies, commissions, and local
11 governments to offer suitable surplus land and buildings for a minimum
12 period of time to eligible organizations for the purpose of the
13 development of affordable housing or housing for special needs
14 populations confers a valuable benefit on the public that constitutes
15 consideration for the sale of such property.

16 (2) The legislature declares that the purpose of this act is to:

17 (a) Identify publicly owned land and buildings that may be suitable
18 for the development of affordable housing for very low-income and low-
19 income households or for housing for special needs populations;

20 (b) Provide public notice of state and other publicly owned land
21 and buildings that may be suitable to be marketed, sold, leased, or
22 exchanged for the development of affordable housing or housing for
23 special needs populations; and

24 (c) Facilitate the effective use of publicly owned surplus and
25 underutilized land and buildings suitable for the development of
26 affordable housing for very low-income and low-income households or for
27 housing for special needs populations by requiring that these types of
28 surplus property owned by certain public agencies, commissions, and
29 local governments be offered for an initial time period to eligible

1 organizations for the development of affordable housing for very low-
2 income and low-income households or for housing for special needs
3 populations.

4 **Sec. 2.** RCW 43.63A.510 and 1993 c 461 s 2 are each amended to read
5 as follows:

6 (1) ~~((The department shall work with the departments of natural
7 resources, transportation, social and health services, corrections, and
8 general administration to identify and catalog under utilized,
9 state owned land and property suitable for the development of
10 affordable housing for very low income, low income or moderate income
11 households.))~~ The department, and the departments of natural resources,
12 transportation, social and health services, corrections, and general
13 administration, the state parks and recreation commission, and local
14 governments, shall ((provide)) each produce an inventory of real
15 property that is owned or administered by ((each)) the agency,
16 commission, or local government, is suitable for the development of
17 affordable housing or for housing for special needs populations, and is
18 available for lease or sale. ((The inventories shall be provided to
19 the department by November 1, 1993, with inventory revisions provided
20 each November 1 thereafter.

21 ~~(2) Upon written request, the department shall provide a copy of
22 the inventory of state owned and publicly owned lands and buildings to
23 parties interested in developing the sites for affordable housing.))~~
24 Each inventory must contain descriptive information about each property
25 that includes, if known, the contact information for the property and
26 the location, approximate size, the sale or lease price and terms, and
27 the current zoning classification of the property. Each inventory must
28 be updated at least once a year, and printed and electronic copies of
29 each inventory must be provided upon request.

30 ~~((+3))~~ (2) As used in this section, unless the context clearly
31 requires otherwise:

32 (a) "Affordable housing" means residential housing that is rented
33 or owned by a person who qualifies as a very low-income((7)) or low-
34 income((7, or moderate income)) household or who is from a special needs
35 population, and whose monthly housing costs, including utilities other
36 than telephone, do not exceed thirty percent of the household's monthly
37 income.

1 (b) "Very low-income household" means a single person, family, or
2 unrelated persons living together whose income is at or below fifty
3 percent of the median family income, adjusted for household size, for
4 the county where the affordable housing is located.

5 (c) "Low-income household" means a single person, family, or
6 unrelated persons living together whose income is more than fifty
7 percent but is at or below eighty percent of the median family income
8 where the affordable housing is located.

9 (~~(d) ("Moderate income household" means a single person, family, or~~
10 ~~unrelated persons living together whose income is more than eighty~~
11 ~~percent but is at or below one hundred fifteen percent of the median~~
12 ~~income where the affordable housing is located.)~~) "Special needs
13 populations" includes, but is not limited to, persons with mental
14 illness, dementia, a developmental disability, or other condition
15 affecting cognition, such as traumatic brain injury.

16 (e) "Eligible organization" means any city, town, or county
17 government, local housing authority, public development authority,
18 community renewal agency, regional support network established under
19 chapter 71.24 RCW, nonprofit community or neighborhood-based
20 organization, federally recognized Indian tribe in the state of
21 Washington, or regional or statewide nonprofit housing assistance
22 organization, each having experience in the development of affordable
23 housing or housing for special needs populations. In the case of
24 school district surplus property, "eligible organization" also means a
25 community school, public school, postsecondary institution, nonprofit
26 early learning provider, and any other nonprofit community resource
27 with an integrated focus on academics, health and social services,
28 youth and community development, and community engagement.

29 (f) "Housing authority" or "authority" means any of the public
30 corporations created by RCW 35.82.030.

31 (g) "Public development authority" means a public authority created
32 under RCW 35.21.730.

33 (h) "Community renewal agency" has the same meaning as in RCW
34 35.81.015.

35 (i) "Purchasing entity" means an eligible organization that
36 purchases surplus property under this section.

37 (j) "Local government" means:

1 (i) A county subject to RCW 36.70A.215 or with a population of at
2 least four hundred thousand;

3 (ii) A city or town with a population of at least five thousand
4 within a county that is subject to RCW 36.70A.215 or that has a
5 population of at least four hundred thousand; or

6 (iii) A school district with an enrollment of at least five
7 thousand students.

8 (k) "Community school" means both a place and a set of partnerships
9 between entities including, but not limited to, public schools,
10 postsecondary institutions, local governments, nonprofit early learning
11 providers, and other nonprofit community resources with an integrated
12 focus on academics, health and social services, youth and community
13 development, and community engagement.

14 (3)(a) Except as provided in subsection (5) of this section,
15 surplus property for sale by the department, and the departments of
16 natural resources, transportation, social and health services,
17 corrections, and general administration, the state parks and recreation
18 commission, and by local governments, which is suitable for the
19 development of affordable housing or for housing for special needs
20 populations, must be offered, for at least the first one hundred eighty
21 days after its availability for sale, exclusively to eligible
22 organizations, for the purpose of developing affordable housing or
23 housing for special needs populations. Eligible organizations have the
24 right of first opportunity to purchase these surplus properties, under
25 reasonable option and purchase conditions, in return for a commitment
26 to provide affordable housing or housing for special needs populations
27 for at least thirty years. Agencies, commissions, and local
28 governments subject to this section have the sole authority to
29 determine: (i) Whether or not property is surplus; (ii) whether or not
30 the property is suitable for the development of affordable housing for
31 very low-income and low-income households or for housing for special
32 needs populations; and (iii) what constitutes reasonable option and
33 purchase conditions.

34 (b)(i) Any eligible organization interested in purchasing surplus
35 property described in this section must present to the agency,
36 commission, or local government that is selling the property an
37 affordable housing or special needs housing project description,
38 including:

1 (A) The number of affordable housing units to be created and a
2 description of the income-level populations that may occupy the units;

3 (B) The number of special needs units to be created;

4 (C) The number, estimated square footage, and description of the
5 purpose of other facilities to be created;

6 (D) The number of years the purchasing entity intends to (I) retain
7 the affordable housing units as affordable housing or (II) retain
8 housing units for special needs populations, which must be at least
9 thirty years; and

10 (E) A proposed development schedule indicating that the development
11 will either be placed into service or be substantially completed and
12 available for occupation within eight years of the date on which the
13 purchasing entity formally purchases the property.

14 (ii) Individual local governments, state agencies, and commissions
15 may establish additional requirements for purchase offers by eligible
16 organizations.

17 (c) Each agency, commission, and local government subject to this
18 section must establish criteria to use if more than one eligible
19 organization is interested in purchasing a single piece of surplus
20 property and presents a proposed project description during the
21 required initial offer period. The criteria may give preference to
22 eligible organizations that propose to develop affordable housing or
23 housing for special needs populations that:

24 (i) Serve the lowest income populations or special needs
25 populations;

26 (ii) Create the greatest number of affordable housing units or
27 units for special needs populations;

28 (iii) Preserve the affordability of the affordable housing units or
29 commit to retain the units for special needs populations for the
30 longest periods of time;

31 (iv) Integrate or cause the provision of appropriate supportive
32 services in the proposed project description; and

33 (v) Are most likely to place affordable housing or housing for
34 special needs populations into service at the earliest date.

35 (d) If an eligible organization does not present a proposed project
36 description that meets the requirements of (c) of this subsection,
37 during the required initial offer period, local governments, state
38 agencies, and commissions may consider offers from the general public.

1 However, these entities are encouraged to market surplus properties to
2 other entities interested in developing affordable housing or housing
3 for special needs populations.

4 (4) State agencies, commissions, and local governments subject to
5 this section must maintain records of all properties listed in the
6 inventory required under subsection (1) of this section for at least
7 ten years. Records must include the documentation of sales to eligible
8 organizations and information regarding affordable housing planned or
9 produced on the properties sold to eligible organizations.

10 (5) School districts, in addition to offering suitable surplus
11 property exclusively to eligible organizations for the purpose of
12 developing affordable housing or housing for special needs populations
13 for at least the first one hundred eighty days after its availability
14 for sale, as required in subsection (3) of this section, must also
15 offer such property, if deemed suitable for such purposes, to eligible
16 organizations for the development of community schools during the same
17 one hundred eighty-day period. School districts may prioritize a
18 community school development project over projects to develop
19 affordable housing or housing for special needs populations. Eligible
20 organizations interested in developing a community school must provide
21 the school district with a development plan describing the services to
22 be provided, the target populations to be served, and the anticipated
23 date of operation.

24 (6) The following property is exempt from this chapter:

25 (a) Real property designated or previously acquired as state lands
26 as defined in RCW 79.02.010; and

27 (b) Lands acquired under restrictive conveyances.

28 (7) This section is not intended to limit the powers granted in
29 chapters 35.81, 35.82, and 35.83 RCW, or to prevent a selling entity
30 from using alternative processes for the sale or disposition of surplus
31 land for affordable housing or special needs housing purposes as long
32 as those alternative processes require that surplus land be used for
33 affordable housing or for housing for special needs populations,
34 meeting, at a minimum, the standards required under this section.

35 **Sec. 3.** RCW 35.21.687 and 1995 c 399 s 37 are each amended to read
36 as follows:

37 (1) Every city and town with a population of at least fifteen

1 thousand within a county subject to RCW 36.70A.215, including every
2 code city operating under Title 35A RCW, shall identify and catalog
3 real property owned by the city or town that is no longer required for
4 its purposes, is available for lease or sale, and is suitable for the
5 development of affordable housing for very low-income(~~(7)~~) and low-
6 income(~~(7 and moderate income)~~) households or for housing for special
7 needs populations as defined in RCW 43.63A.510 (as recodified by this
8 act). Cities, towns, and code cities have the sole authority to
9 determine: (a) Whether or not property owned by the city, town, or
10 code city is surplus; (b) whether or not the property is suitable for
11 the development of affordable housing for very low-income and low-
12 income households or for housing for special needs populations; and (c)
13 what constitutes reasonable option and purchase conditions. The
14 inventory (~~(shall include the location, approximate size, and current~~
15 ~~zoning classification of the property. Every city and town shall~~
16 ~~provide a copy of the inventory to the department of community, trade,~~
17 ~~and economic development by November 1, 1993, with inventory revisions~~
18 ~~each November 1 thereafter)) must include information required under~~
19 RCW 43.63A.510(1) (as recodified by this act).

20 (2) (~~(By November 1 of each year, beginning in 1994,~~) Property for
21 sale, which is suitable for affordable housing or for housing for
22 special needs populations and is included in the inventory as required
23 in subsection (1) of this section, must be offered to eligible
24 organizations as defined in RCW 43.63A.510 (as recodified by this act),
25 as required in RCW 43.63A.510(3) (as recodified by this act).

26 (3) Every city and town with a population of at least fifteen
27 thousand within a county subject to RCW 36.70A.215, including every
28 code city operating under Title 35A RCW, shall regularly purge the
29 inventory of real property of sites that are no longer available for
30 the development of affordable housing or for housing for special needs
31 populations. The inventory revision (~~(shall)~~) must also contain a list
32 of real property that has become available since the last update.

33 (4) Records of all sales of properties included in the inventory
34 must be maintained as required in RCW 43.63A.510(4) (as recodified by
35 this act).

36 (5) As used in this section, "real property" means buildings, land,
37 or buildings and land.

1 **Sec. 4.** RCW 36.34.137 and 1993 c 461 s 5 are each amended to read
2 as follows:

3 (1) Every county subject to RCW 36.70A.215 or with a population of
4 at least four hundred thousand shall identify and catalog real property
5 owned by the county that is no longer required for its purposes and is
6 suitable for the development of affordable housing for very low-
7 income(~~(7)~~) and low-income(~~(, and moderate income)~~) households or for
8 housing for special needs populations as defined in RCW 43.63A.510 (as
9 recodified by this act). Counties have the sole authority to
10 determine: (a) Whether or not property owned by the county is surplus;
11 (b) whether or not the property is suitable for the development of
12 affordable housing for very low-income and low-income households or for
13 housing for special needs populations; and (c) what constitutes
14 reasonable option and purchase conditions. The inventory ~~((shall~~
15 ~~include the location, approximate size, and current zoning~~
16 ~~classification of the property. Every county shall provide a copy of~~
17 ~~the inventory to the department of community development by November 1,~~
18 ~~1993, with inventory revisions each November 1 thereafter)) must~~
19 include information required under RCW 43.63A.510(1) (as recodified by
20 this act).

21 (2) ~~((By November 1 of each year, beginning in 1994,))~~ Property for
22 sale, which is suitable for affordable housing or for housing for
23 special needs populations and is included in the inventory as required
24 in subsection (1) of this section, must be offered to eligible
25 organizations as defined in RCW 43.63A.510 (as recodified by this act),
26 as required in RCW 43.63A.510(3) (as recodified by this act).

27 (3) Every county subject to RCW 36.70A.215 or with a population of
28 at least four hundred thousand shall regularly purge the inventory of
29 real property of sites that are no longer available for the development
30 of affordable housing or for housing for special needs populations.
31 The inventory revision shall include an updated listing of real
32 property that has become available since the last update.

33 (4) Records of all sales of properties included in the inventory
34 must be maintained as required in RCW 43.63A.510(4) (as recodified by
35 this act).

36 (5) As used in this section, "real property" means buildings, land,
37 or buildings and land.

1 **Sec. 5.** RCW 43.20A.037 and 1995 c 399 s 65 are each amended to
2 read as follows:

3 (1) The department shall identify and catalog real property that is
4 no longer required for department purposes and is suitable for the
5 development of affordable housing for very low-income(~~(7)~~) and
6 (~~moderate~~) low-income households or for housing for special needs
7 populations as defined in RCW 43.63A.510 (as recodified by this act).
8 The inventory (~~(shall include the location, approximate size, and~~
9 ~~current zoning classification of the property. The department shall~~
10 ~~provide a copy of the inventory to the department of community, trade,~~
11 ~~and economic development by November 1, 1993, and every November 1~~
12 ~~thereafter)) must include information required under RCW 43.63A.510(1)~~
13 (as recodified by this act).

14 (2) (~~By November 1 of each year, beginning in 1994,~~) Property for
15 sale, which is suitable for affordable housing or for housing for
16 special needs populations and is included in the inventory as required
17 in subsection (1) of this section, must be offered to eligible
18 organizations as defined in RCW 43.63A.510 (as recodified by this act),
19 as required in RCW 43.63A.510(3) (as recodified by this act).

20 (3) The department shall regularly purge the inventory of real
21 property of sites that are no longer available for the development of
22 affordable housing or for housing for special needs populations. The
23 department shall include an updated listing of real property that has
24 become available since the last update.

25 (4) Records of all sales of properties included in the inventory
26 must be maintained as required in RCW 43.63A.510(4) (as recodified by
27 this act).

28 (5) As used in this section, "real property" means buildings, land,
29 or buildings and land.

30 **Sec. 6.** RCW 47.12.063 and 2006 c 17 s 2 are each amended to read
31 as follows:

32 (1) Except as required in RCW 47.12.064:

33 (a) It is the intent of the legislature to continue the
34 department's policy giving priority consideration to abutting property
35 owners in agricultural areas when disposing of property through its
36 surplus property program under this section.

1 ~~((2))~~ (b) Whenever the department determines that any real
2 property owned by the state of Washington and under the jurisdiction of
3 the department is no longer required for transportation purposes and
4 that it is in the public interest to do so, the department may sell the
5 property or exchange it in full or part consideration for land or
6 improvements or for construction of improvements at fair market value
7 to any of the following governmental entities or persons:

8 ~~((a))~~ (i) In the case of property suitable for residential use,
9 any eligible organization as defined in RCW 43.63A.510 (as recodified
10 by this act);

11 (ii) Any other state agency;

12 ~~((b))~~ (iii) The city or county in which the property is situated;

13 ~~((c))~~ (iv) Any other municipal corporation;

14 ~~((d))~~ (v) Regional transit authorities created under chapter
15 81.112 RCW;

16 ~~((e))~~ (vi) The former owner of the property from whom the state
17 acquired title;

18 ~~((f))~~ (vii) In the case of residentially improved property, a
19 tenant of the department who has resided thereon for not less than six
20 months and who is not delinquent in paying rent to the state;

21 ~~((g))~~ (viii) Any abutting private owner, but only after each
22 other abutting private owner ~~((+))~~, if any ~~((+))~~, as shown in the
23 records of the county assessor, is notified in writing of the proposed
24 sale. If more than one abutting private owner requests in writing the
25 right to purchase the property within fifteen days after receiving
26 notice of the proposed sale, the property shall be sold at public
27 auction in the manner provided in RCW 47.12.283;

28 ~~((h))~~ (ix) To any person through the solicitation of written bids
29 through public advertising in the manner prescribed by RCW 47.28.050;

30 ~~((i))~~ (x) To any other owner of real property required for
31 transportation purposes;

32 ~~((j) In the case of property suitable for residential use, any
33 nonprofit organization dedicated to providing affordable housing to
34 very low income, low income, and moderate income households as defined
35 in RCW 43.63A.510 and is eligible to receive assistance through the
36 Washington housing trust fund created in chapter 43.185 RCW;))~~ or

37 ~~((k))~~ (xi) A federally recognized Indian tribe within whose
38 reservation boundary the property is located.

1 ~~((3))~~ (2) Sales to purchasers may at the department's option be
2 for cash, by real estate contract, or exchange of land or improvements.
3 Transactions involving the construction of improvements must be
4 conducted pursuant to chapter 47.28 RCW or Title 39 RCW, as applicable,
5 and must comply with all other applicable laws and rules.

6 ~~((4))~~ (3) Conveyances made pursuant to this section shall be by
7 deed executed by the secretary of transportation and shall be duly
8 acknowledged.

9 ~~((5))~~ (4) Unless otherwise provided, all moneys received pursuant
10 to the provisions of this section less any real estate broker
11 commissions paid pursuant to RCW 47.12.320 shall be deposited in the
12 motor vehicle fund.

13 **Sec. 7.** RCW 47.12.064 and 1995 c 399 s 121 are each amended to
14 read as follows:

15 (1) The department shall identify and catalog real property that is
16 no longer required for department purposes and is suitable for the
17 development of affordable housing for very low-income~~((7))~~ and low-
18 income~~((7, and moderate income))~~ households or for housing for special
19 needs populations as defined in RCW 43.63A.510 (as recodified by this
20 act). ~~The inventory ((shall include the location, approximate size,~~
21 ~~and current zoning classification of the property. The department~~
22 ~~shall provide a copy of the inventory to the department of community,~~
23 ~~trade, and economic development by November 1, 1993, and every November~~
24 ~~1 thereafter))~~ must include information required under RCW
25 43.63A.510(1) (as recodified by this act).

26 (2) ~~((By November 1 of each year, beginning in 1994,))~~ Property for
27 sale, which is suitable for affordable housing or for housing for
28 special needs populations and is included in the inventory as required
29 in subsection (1) of this section, must be offered to eligible
30 organizations as defined in RCW 43.63A.510 (as recodified by this act),
31 as required in RCW 43.63A.510(3) (as recodified by this act).

32 (3) The department shall regularly purge the inventory of real
33 property of sites that are no longer available for the development of
34 affordable housing or for housing for special needs populations. The
35 department shall include an updated listing of real property that has
36 become available since the last update. ~~((As used in this section,~~
37 ~~"real property" means buildings, land, or buildings and land.))~~

1 (4) Records of all sales of properties included in the inventory
2 must be maintained as required in RCW 43.63A.510(4) (as recodified by
3 this act).

4 (5) As used in this section, "real property" means buildings, land,
5 or buildings and land.

6 **Sec. 8.** RCW 72.09.055 and 1995 c 399 s 202 are each amended to
7 read as follows:

8 (1) The department shall identify and catalog real property that is
9 no longer required for department purposes and is suitable for the
10 development of affordable housing for very low-income(~~(7)~~) and low-
11 income(~~(7, and moderate income)~~) households or for housing for special
12 needs populations as defined in RCW 43.63A.510 (as recodified by this
13 act). The inventory (~~(shall include the location, approximate size,
14 ~~and current zoning classification of the property. The department~~
15 ~~shall provide a copy of the inventory to the department of community,~~
16 ~~trade, and economic development by November 1, 1993, and every November~~
17 ~~1 thereafter))~~ must include information required under RCW
18 43.63A.510(1) (as recodified by this act).~~

19 (2) (~~(By November 1 of each year, beginning in 1994,~~)) Property for
20 sale, which is suitable for affordable housing or for housing for
21 special needs populations and is included in the inventory as required
22 in subsection (1) of this section, must be offered to eligible
23 organizations as defined in RCW 43.63A.510 (as recodified by this act),
24 as required in RCW 43.63A.510(3) (as recodified by this act).

25 (3) The department shall regularly purge the inventory of real
26 property of sites that are no longer available for the development of
27 affordable housing or for housing for special needs populations. The
28 department shall include an updated listing of real property that has
29 become available since the last update.

30 (4) Records of all sales of properties included in the inventory
31 must be maintained as required in RCW 43.63A.510(4) (as recodified by
32 this act).

33 (5) As used in this section, "real property" means buildings, land,
34 or buildings and land.

35 **Sec. 9.** RCW 43.19.19201 and 1995 c 399 s 64 are each amended to
36 read as follows:

1 (1) The department of general administration shall identify and
2 catalog real property that is no longer required for department
3 purposes and is suitable for the development of affordable housing for
4 very low-income(~~(7)~~) and low-income(~~(7, and moderate income)~~) households
5 or for housing for special needs populations as defined in RCW
6 43.63A.510 (as recodified by this act). The inventory (~~(shall include~~
7 ~~the location, approximate size, and current zoning classification of~~
8 ~~the property. The department of general administration shall provide~~
9 ~~a copy of the inventory to the department of community, trade, and~~
10 ~~economic development by November 1, 1993, and every November 1~~
11 ~~thereafter)) must include information required under RCW 43.63A.510(1)~~
12 (as recodified by this act).

13 (2) (~~By November 1 of each year, beginning in 1994,~~) Property for
14 sale, which is suitable for affordable housing or for housing for
15 special needs populations and is included in the inventory as required
16 in subsection (1) of this section, must be offered to eligible
17 organizations as defined in RCW 43.63A.510 (as recodified by this act),
18 as required in RCW 43.63A.510(3) (as recodified by this act).

19 (3) The department of general administration shall regularly purge
20 the inventory of real property of sites that are no longer available
21 for the development of affordable housing or for housing for special
22 needs populations. The department shall include an updated listing of
23 real property that has become available since the last update.

24 (4) Records of all sales of properties included in the inventory
25 must be maintained as required in RCW 43.63A.510(4) (as recodified by
26 this act).

27 (5) As used in this section, "real property" means buildings, land,
28 or buildings and land.

29 **Sec. 10.** RCW 79A.05.170 and 1991 sp.s. c 13 s 23 are each amended
30 to read as follows:

31 (1) Any lands owned by the state parks and recreation commission,
32 which are determined to be surplus to the needs of the state for
33 development for state park purposes and which the commission proposes
34 to deed to a local government or other entity for outdoor recreation
35 purposes, shall be accompanied by a clause requiring that if the land
36 is not used for outdoor recreation purposes, ownership of the land
37 shall revert to the state parks and recreation commission.

1 ~~((The state parks and recreation commission,))~~ In cases where
2 land subject to ~~((such a reversionary clause is proposed for use or~~
3 ~~disposal for purposes other than recreation, shall require that, if the~~
4 ~~land))~~ reversion under subsection (1) of this section is surplus to the
5 needs of the commission for park purposes at the time the commission
6 becomes aware of its proposed use for nonrecreation purposes, the
7 ~~((holder of the land or property shall reimburse the commission for the~~
8 ~~release of the reversionary interest in the land. The reimbursement~~
9 ~~shall be in the amount of the fair market value of the reversionary~~
10 ~~interest as determined by a qualified appraiser agreeable to the~~
11 ~~commission. Appraisal costs shall be borne by the local entity which~~
12 ~~holds title to the land))~~ commission shall:

13 (a) Offer any surplus land for sale, which is suitable for
14 affordable housing or for housing for special needs populations and is
15 included in the inventory as required in section 12 of this act, to
16 eligible organizations as defined in RCW 43.63A.510 (as recodified by
17 this act), as required in RCW 43.63A.510(3) (as recodified by this
18 act). If no acceptable purchase offers are made for the properties
19 within the required initial offer period, the properties may be
20 disposed of by the method provided in (b) of this subsection; and

21 (b) Except as provided in (a) of this subsection, dispose of
22 surplus properties subject to reversion under subsection (1) of this
23 section by the method provided in RCW 79A.05.175, or allow the holder
24 of the land or property to reimburse the commission for the release of
25 the reversionary interest in the land. The reimbursement must equal
26 the amount of the fair market value of the reversionary interest as
27 determined by a qualified appraiser agreeable to the commission.
28 Appraisal costs are borne by the local entity that holds title to the
29 land.

30 (3) Any funds generated under ~~((a reimbursement under))~~ this
31 section shall be deposited in the parkland acquisition account which is
32 hereby created in the state treasury. Moneys in this account are to be
33 used solely for the purchase or acquisition of property for use as
34 state park property by the commission, as directed by the legislature;
35 all such funds shall be subject to legislative appropriation.

36 **Sec. 11.** RCW 79A.05.175 and 2007 c 145 s 1 are each amended to
37 read as follows:

1 Whenever the commission finds that any land under its control
2 cannot advantageously be used for park purposes, it is authorized to
3 dispose of such land by the method provided in this section or by the
4 method provided in RCW 79A.05.170. If such lands are school or other
5 grant lands, control thereof shall be relinquished by resolution of the
6 commission to the proper state officials. If such lands were acquired
7 under restrictive conveyances by which the state may hold them only so
8 long as they are used for park purposes, they may be returned to the
9 donor or grantors by the commission. All (~~other such~~) lands, which
10 are suitable for affordable housing or for housing for special needs
11 populations and are included in the inventory as required in section 12
12 of this act, must be offered for sale to eligible organizations as
13 defined in RCW 43.63A.510 (as recodified by this act), as required in
14 RCW 43.63A.510(3) (as recodified by this act). After the required
15 initial offer period, if no purchase offers are made on behalf of an
16 eligible organization that meets the requirements of RCW 43.63A.510(3)
17 (as recodified by this act), the commission may consider offers from
18 the general public, and these lands, along with all other lands, may be
19 either sold by the commission to the highest bidder or exchanged for
20 other lands of equal value by the commission, and all conveyance
21 documents shall be executed by the governor. All such exchanges shall
22 be accompanied by a transfer fee, to be set by the commission and paid
23 by the other party to the transfer; such fee shall be paid into the
24 parkland acquisition account established under RCW 79A.05.170. The
25 commission may accept sealed bids, electronic bids, or oral bids at
26 auction. Bids on all sales shall be solicited at least twenty days in
27 advance of the sale date by an advertisement appearing at least once a
28 week for two consecutive weeks in a newspaper of general circulation in
29 the county in which the land to be sold is located. If the commission
30 feels that no bid received adequately reflects the fair value of the
31 land to be sold, it may reject all bids, and may call for new bids.
32 All proceeds derived from the sale of such park property shall be paid
33 into the park land acquisition account. All land considered for
34 exchange shall be evaluated by the commission to determine its
35 adaptability to park usage. The equal value of all lands exchanged
36 shall first be determined by the appraisals to the satisfaction of the
37 commission. No sale or exchange of state park lands shall be made
38 without the unanimous consent of the commission.

1 eligible organizations as defined in RCW 43.63A.510 (as recodified by
2 this act), as required in RCW 43.63A.510(3) (as recodified by this
3 act). After the required initial offer period, if no acceptable
4 purchase offers are made on behalf of an eligible organization that
5 meets the requirements of RCW 43.63A.510(3) (as recodified by this
6 act), the department may consider offers from the general public and
7 sales to the general public may be conducted under subsection (3) of
8 this section. For all properties for sale not included in the
9 inventory as required in section 15 of this act, the department may
10 immediately consider offers from the general public and sales to the
11 general public may be conducted under subsection (3) of this section.

12 (3) The sale of property to the general public may be made after
13 public notice to the highest bidder for such a price as approved by the
14 governor, but not less than the fair market value of the real property,
15 plus the value of improvements thereon. Any instruments necessary to
16 convey title must be executed by the governor in a form approved by the
17 attorney general.

18 ~~((+3))~~ (4) All amounts received from ~~((the sale))~~ all sales must
19 be credited to the fund of the department of government that is
20 responsible for the acquisition and maintenance of the property sold.

21 **Sec. 14.** RCW 79.22.060 and 2003 c 334 s 221 are each amended to
22 read as follows:

23 (1) Except as provided in subsection (2) of this section, with the
24 approval of the board, the department may directly transfer or dispose
25 of state forest lands without public auction, if such lands consist of
26 ten contiguous acres or less, or have a value of twenty-five thousand
27 dollars or less. Such disposal may only occur in the following
28 circumstances:

29 (a) Transfers in lieu of condemnation; and

30 (b) Transfers to resolve trespass and property ownership disputes.

31 (2) Property suitable for affordable housing or for housing for
32 special needs populations, which is included in the inventory as
33 required in section 15 of this act, must be offered to eligible
34 organizations as defined in RCW 43.63A.510 (as recodified by this act),
35 as required in RCW 43.63A.510(3) (as recodified by this act). After
36 the required initial offer period, if no purchase offers are made on

1 behalf of an eligible organization that meets the requirements of RCW
2 43.63A.510 (as recodified by this act), the property may be transferred
3 or sold as described in subsection (1) of this section.

4 (3) Real property to be transferred or disposed of under this
5 section shall be transferred or disposed of only after appraisal and
6 for at least fair market value, and only if such transaction is in the
7 best interest of the state or affected trust.

8 ((+3)) (4) The proceeds from real property transferred or disposed
9 of under this section shall be deposited into the park land trust
10 revolving fund and be solely used to buy replacement land within the
11 same county as the property transferred or disposed.

12 NEW SECTION. Sec. 15. A new section is added to chapter 43.30 RCW
13 to read as follows:

14 (1) The department of natural resources shall identify and catalog
15 real property that is no longer required for department purposes and is
16 suitable for the development of affordable housing for very low-income
17 and low-income households or for housing for special needs populations
18 as defined in RCW 43.63A.510 (as recodified by this act). The
19 inventory must include the information required under RCW 43.63A.510(1)
20 (as recodified by this act).

21 (2) Property for sale, which is suitable for affordable housing or
22 for housing for special needs populations and is included in the
23 inventory as required in subsection (1) of this section, must be
24 offered to eligible organizations as defined in RCW 43.63A.510 (as
25 recodified by this act), as required in RCW 43.63A.510(3) (as
26 recodified by this act).

27 (3) The department shall regularly purge the inventory of real
28 property of sites that are no longer available for the development of
29 affordable housing or for housing for special needs populations. The
30 department shall include an updated listing of real property that has
31 become available since the last update.

32 (4) Records of all sales of properties included in the inventory
33 must be maintained as required in RCW 43.63A.510(4) (as recodified by
34 this act).

35 (5) As used in this section, "real property" means buildings, land,
36 or buildings and land.

1 **Sec. 16.** RCW 28A.335.120 and 2006 c 263 s 913 are each amended to
2 read as follows:

3 (1) Except as provided under subsections (2) and (3) of this
4 section, the board of directors of any school district of this state
5 may:

6 (a) Sell for cash, at public or private sale, and convey by deed
7 all interest of the district in or to any of the real property of the
8 district which is no longer required for school purposes; and

9 (b) Purchase real property for the purpose of locating thereon and
10 affixing thereto any house or houses and appurtenant buildings removed
11 from school sites owned by the district and sell for cash, at public or
12 private sale, and convey by deed all interest of the district in or to
13 such acquired and improved real property.

14 (2) When the board of directors of any school district with an
15 enrollment of at least five thousand students proposes a sale of school
16 district real property pursuant to this section and the property for
17 sale is suitable for the development of affordable housing, for housing
18 for special needs populations, or for the development of a community
19 school, the property must be offered to eligible organizations as
20 defined in RCW 43.63A.510 (as recodified by this act), as required in
21 RCW 43.63A.510(3) and (5) (as recodified by this act). The boards of
22 directors of school districts subject to this subsection have the sole
23 authority to determine: (a) Whether or not property owned by the school
24 district is surplus; (b) whether or not the property is suitable for
25 the development of affordable housing for very low-income and low-
26 income households, for housing for special needs populations, or for a
27 community school; and (c) what constitutes reasonable option and
28 purchase conditions. If the property for sale is not suitable for the
29 development of affordable housing, for housing for special needs
30 populations, or for a community school, or if after the required
31 initial offer period no reasonable and acceptable purchase offers are
32 made on behalf of an eligible organization that meets the requirements
33 of RCW 43.63A.510(3) (as recodified by this act), the property may be
34 sold as described in subsection (1) of this section.

35 (3) When the board of directors of any school district proposes a
36 sale of school district real property pursuant to this section and if
37 the value of the property exceeds seventy thousand dollars, the board
38 shall publish a notice of its intention to sell the property. School

1 districts with an enrollment of at least five thousand students
2 intending to sell the property under this subsection must do so
3 pursuant to the requirements under subsection (2) of this section. The
4 notice shall be published at least once each week during two
5 consecutive weeks in a legal newspaper with a general circulation in
6 the area in which the school district is located. The notice shall
7 describe the property to be sold and designate the place where and the
8 day and hour when a hearing will be held. The board shall hold a
9 public hearing upon the proposal to dispose of the school district
10 property at the place and the day and hour fixed in the notice and
11 admit evidence offered for and against the propriety and advisability
12 of the proposed sale.

13 ~~((3))~~ (4) The board of directors of any school district desiring
14 to sell surplus real property shall publish a notice in a newspaper of
15 general circulation in the school district. School districts shall not
16 sell the property for at least forty-five days following the
17 publication of the newspaper notice.

18 ~~((4))~~ (5) Private schools shall have the same rights as any other
19 person or entity to submit bids for the purchase of surplus real
20 property and to have such bids considered along with all other bids.

21 ~~((5))~~ (6) Any sale of school district real property authorized
22 pursuant to this section shall be preceded by a market value appraisal
23 by a professionally designated real estate appraiser as defined in RCW
24 74.46.020 or a general real estate appraiser certified under chapter
25 18.140 RCW selected by the board of directors and no sale shall take
26 place if the sale price would be less than ninety percent of the
27 appraisal made by the real estate appraiser: PROVIDED, That if the
28 property has been on the market for one year or more the property may
29 be reappraised and sold for not less than seventy-five percent of the
30 reappraised value with the unanimous consent of the board.

31 ~~((6))~~ (7) If in the judgment of the board of directors of any
32 district the sale of real property of the district not needed for
33 school purposes would be facilitated and greater value realized through
34 use of the services of licensed real estate brokers, a contract for
35 such services may be negotiated and concluded: PROVIDED, That the use
36 of a licensed real estate broker will not eliminate the obligation of
37 the board of directors to provide the notice described in this section:
38 PROVIDED FURTHER, That the fee or commissions charged for any broker

1 services shall not exceed seven percent of the resulting sale value for
2 a single parcel: PROVIDED FURTHER, That any professionally designated
3 real estate appraiser as defined in RCW 74.46.020 or a general real
4 estate appraiser certified under chapter 18.140 RCW selected by the
5 board to appraise the market value of a parcel of property to be sold
6 may not be a party to any contract with the school district to sell
7 such parcel of property for a period of three years after the
8 appraisal.

9 ((+7)) (8) If in the judgment of the board of directors of any
10 district the sale of real property of the district not needed for
11 school purposes would be facilitated and greater value realized through
12 sale on contract terms, a real estate sales contract may be executed
13 between the district and buyer.

14 NEW SECTION. **Sec. 17.** If any part of this act is found to be in
15 conflict with federal requirements that are a prescribed condition to
16 the allocation of federal funds to the state, the conflicting part of
17 this act is inoperative solely to the extent of the conflict and with
18 respect to the agencies directly affected, and this finding does not
19 affect the operation of the remainder of this act in its application to
20 the agencies concerned. Rules adopted under this act must meet federal
21 requirements that are a necessary condition to the receipt of federal
22 funds by the state.

23 NEW SECTION. **Sec. 18.** RCW 43.63A.510 is recodified as a new
24 section in chapter 43.31 RCW.

25 NEW SECTION. **Sec. 19.** The code reviser shall alphabetize the
26 definitions in RCW 43.63A.510(2) (as recodified by this act).

27 NEW SECTION. **Sec. 20.** If specific funding for the purposes of
28 this act, referencing this act by bill or chapter number, is not
29 provided by June 30, 2008, in the omnibus appropriations act, this act
30 is null and void."

31 Correct the title.

EFFECT: School districts must offer suitable surplus property to

eligible organizations, which includes nonprofit early learning providers, for the development of community schools, in addition to offering such land for the development of affordable or special needs housing.

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